

**STATE OF LOUISIANA  
PATIENT'S COMPENSATION FUND**



**REQUEST FOR PROPOSALS**

**FOR**

**RFP # 200**

**Proposal Due: Date, 2012 12:00pm CST/CDT:**

**Issued: February 27, 2012**

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## **1.0 GENERAL INFORMATION**

### **1.1 Purpose**

This Request for Proposals (RFP) is issued by the State of Louisiana, Division of Administration, and Patient's Compensation Fund Oversight Board, hereinafter referred to as the PCFOB, for the purpose of identifying and selecting a qualified firm to provide investment consulting services to assist in the establishment of investment guidelines, investment policies, asset allocation studies and implementation plan, investment manager searches and evaluation. This is more fully described in the Scope of Services Section of the RFP.

### **1.2 Background**

The Patient's Compensation Fund was created within the legislature by R.S. 40:1299, et seq., in order to provide an affordable system of medical malpractice coverage for private health care providers and a stable source of compensation for legitimate injured parties of medical malpractice. The PCF is managed by the Patient's Compensation Fund Oversight Board which is comprised of nine members. The PCF is not an insurance company; however, in many ways, it provides medical malpractice coverage like an excess insurer. The day-to-day management of the agency is managed by the Executive Director. The PCF is not an insurance company, does not pay taxes and is not regulated by the Department of Insurance.

The goal of the Patient's Compensation Fund Oversight Board is to ensure the longevity of the Fund by maintaining its financial stability and offering reasonable insurance rates to health care providers. Additional revenue from investments is used to help offset rising costs of insurance claims and decrease the need to increase surcharge rates. It is inherent upon the Fund that investment returns are as high as possible without taking unnecessary or unreasonably high investment risks. The objective of the PCFOB is to assure that investment policies, guidelines and practices meet or surpass prevailing industry standards.

Currently, the PCFOB's assets are managed by the State Treasurer's office, with the custodial bank being JPMorgan Chase. As of December 2011, the PCFOB's investments totaled approximately \$450,000,000 in investment-grade bonds, with an additional \$250,000,000 in a money market account at the Treasurer's office. In 2011, legislation was passed granting the PCFOB the right to manage its own assets. (See Act 160 of the 2011 Regular Session for further details.)

### **1.3 Scope of Services**

Attachment I provides details of the scope of services and deliverables or desired results that the PCFOB requires of the selected Consultant.

## **2.0 ADMINISTRATIVE INFORMATION**

### **2.1 Term of Contract**

The period of any contract resulting from this RFP is tentatively scheduled to begin on or about **July 1, 2012 and to continue through June 30, 2013**. The State has the right to contract for up to three years upon approval.

## **2.2 Pre-Proposal Conference**

Not applicable for this solicitation

## **2.3 Proposer Inquiries**

All questions or requests for clarification concerning the meaning or interpretation of this RFP or regarding RFP requirements or Scope of Services must be submitted to the RFP Coordinator as listed in section 2.6 not later than 5:00 PM (Central Time) on the date indicated in the Schedule of Events in Section 2.5.

This RFP is available in electronic form at the State of Louisiana, [Patient's Compensation Fund](#) website or a hard copy can also be obtained upon request.

The PCFOB reserves the right to modify the RFP should a change be identified that is in the best interest of the PCFOB. Such changes will in the form of a written addenda and will be posted in the same manner as the RFP.

Official responses to each of the questions presented by the proposers will be posted by the last date to respond to proposer inquiries as indicated in the Schedule of Events, at <http://doa.louisiana.gov/pcf>. It is the responsibility of the proposer to check the web site for the official responses to proposer inquiries and other addenda to the RFP, if any.

All proposers are expected to carefully examine the proposal documents. Any ambiguities or inconsistencies should be brought to the attention of PCFOB through written communication with PCFOB prior to the opening of the proposals.

Only Lorraine LeBlanc., Executive Director, has the authority to officially respond to proposer's questions on behalf of the PCFOB. Any communications from any other individuals are not binding to the PCFOB.

## **2.4 Definitions**

**Contractor:** A proposer awarded the contract.

**DOA:** Division of Administration. The Division of Administration is comprised of various sections that perform a wide variety of legislatively mandated activities and other required administrative and management functions of State government.

**May, Can:** Indicates information, which the proposer is allowed to include, but is not mandatory.

**Must, Will, Shall:** Indicates a mandatory requirement. Failure to meet these requirements shall result in the elimination of a proposal from consideration.

**PCFOB:** State of Louisiana, Patient's Compensation Fund Oversight Board

**Proposer:** A company submitting a proposal in response to this RFP.

**Should:** Indicates a requirement which is recommended but not mandatory.

**State:** State of Louisiana, Patient's Compensation Fund Oversight Board.

## **2.5 Schedule of Events**

### **Event**

### **Date**

Advertise RFP and mail public announcements	(03-05-2012)
Deadline for receipt of Written inquiries (12:00 PM CT)	(03-26-2012)
Issue responses to written inquiries	(04-02-2012)
Deadline for receipt of proposals (12:00 PM CT)	(04-09-2012)
Announcement of Finalists	(04-23-2012)
Oral Interviews of Finalist, if held	(05-03-2012)
Announce award of contractor selection	(06-08-2012)
Contract execution	(06-22-2012)

NOTE: The PCFOB of Louisiana reserves the right to change this schedule of RFP events, as it deems necessary.

## **2.6 RFP COORDINATOR**

Requests for printed copies of the RFP and written questions must be directed to the RFP coordinator listed below:

RFP Coordinator: Lorraine LeBlanc

Phone: (225) 362-5263

Email: [lorraine.leblanc@La.Gov](mailto:lorraine.leblanc@La.Gov)

FAX: (225) 362-5265

Postal Address:

Patient's Compensation Fund

Post Office Box 3718

Baton Rouge, Louisiana 70821-3718

Street Address:

Patient's Compensation Fund

8225 Florida Blvd. 2<sup>nd</sup> Floor

Baton Rouge, Louisiana 70806

## **3.0 PROPOSAL INFORMATION**

### **3.1 Minimum Qualifications of Proposer**

Proposers must meet the following minimum qualifications. Failure to meet all of these qualifications will cause your proposal to be disqualified.

The firm, and its investment consultant service unit, must have been in business as such for a minimum of five years prior to the deadline for receipt of proposals, be a registered investment advisor pursuant to the Investment Advisor Act of 1940 and be authorized to do business in the State of Louisiana.

- The firm must offer a team approach to providing consulting services. At least two professional consultants must be assigned to the PCFOB, with specialists available if needed. At least one of the team consultants must be a CFA charter holder.
- The primary consultants assigned to the PCFOB's account must have a minimum of five years experience (prior to the deadline for receipt of proposals) in providing investment consultant services to an entity same/similar in size, scope, and function or an insurance carrier of similar size and function.
- The firm must have served as a consultant (prior to the deadline for receipt of proposals) in the preparation or revision of general investment policies and guidelines for at least one property & casualty insurance company, healthcare insurance company or public fund.
- The firm must provide investment consulting services to at least ten billion dollars in total client assets.
- The firm must be able to maintain a data processing interface and reporting function with the PCFOB's custodian, investment managers and the PCFOB's administrative staff, through a secure online application and with the use of Microsoft office.
- The firm must have errors and omissions insurance or professional liability insurance with annual aggregate limits of at least \$1,000,000, as evidenced by a certificate of insurance provided with the proposal.

### **3.2 Determination of Responsibility**

Determination of the proposer's responsibility relating to this RFP shall be made according to the standards set forth in LAC 34: 136. The PCFOB must find that the selected proposer:

- Has adequate financial resources for performance, or has the ability to obtain such resources as required during performance;
- Has the necessary investment experience, organization structure, technical qualifications, market performance, asset allocation strategies and knowledge, or has the ability to obtain them;
- Is able to comply with the proposed or required time of delivery or performance schedule;
- Has a satisfactory record of integrity, judgment, and performance; and
- Is otherwise qualified and eligible to receive an award under applicable laws and regulations.

Proposers should ensure that their proposals contain sufficient information for the PCFOB to make its determination by presenting acceptable evidence of the above to perform the contracted services.

#### **3.2.1 Right to Prohibit Award**

In accordance with the provisions of R.S. 39:2192, in awarding contracts after August 15, 2010, any public entity is authorized to reject a proposal or bid from, or not award the contract to, a business in which any individual with an ownership interest of five percent or more, has been convicted of, or has entered a plea of guilty or nolo contendere to any state felony or equivalent federal felony crime committed in the solicitation or execution of a contract or bid awarded under the laws governing public contracts under the provisions of Chapter 10 of Title 38 of the Louisiana Revised Statutes of



1950, professional, personal, consulting, and social services procurement under the provisions of Chapter 16 of this Title, or the Louisiana Procurement Code under the provisions of Chapter 17 of this Title.

### **3.3 RFP Addenda**

In the event it becomes necessary to revise any part of this RFP, an addendum, will be posted at <http://wwwprd.doa.louisiana.gov/osp/lapac/pubmain.asp> and <http://doa.louisiana.gov/pcf>. It is the responsibility of the proposer to check the website for addenda to the RFP, if any.

The PCFOB reserves the right to change the schedule of events or revise any part of the RFP by issuing an addendum to the RFP at any time.

### **3.4 Waiver of Administrative Informalities**

The PCFOB reserves the right, at its sole discretion, to waive minor administrative informalities contained in any proposal.

### **3.5 Proposal Rejection/RFP Cancellation**

Issuance of this RFP in no way constitutes a commitment by the PCFOB to award a contract. The PCFOB reserves the right to accept or reject, in whole or part, all proposals submitted and/or cancel this announcement if it is determined to be in the PCFOB's best interest.

### **3.6 Withdrawal of Proposal**

A proposer may withdraw a proposal that has been submitted at any time up to the date and time the proposal is due. To accomplish this, a written request signed by the authorized representative of the proposer must be submitted to the RFP Coordinator. No resubmissions will be allowed after the proposal deadline.

### **3.7 Subcontracting Information**

The PCFOB shall have a single prime contractor as the result of any contract negotiation, and that prime contractor shall be responsible for all deliverables specified in the RFP and proposal.

The prime contractor shall not contract with any other party for any of the services herein contracted.

### **3.8 Ownership of Proposal**

All materials submitted in response to this request shall become the property of PCFOB. Selection or rejection of a proposal does not affect this right.

### **3.9 Proprietary Information**

Only information which is in the nature of legitimate trade secrets or non-published financial data may be deemed proprietary or confidential. Any material within a proposal identified as such must be clearly marked in the proposal and will be handled in accordance with the Louisiana Public Records Act, R.S. 44: 1-44 et.seq. and applicable rules and regulations. Any proposal marked as confidential or proprietary in its entirety may be rejected without further consideration or recourse.

### **3.10 Cost of Preparing Proposals**

The PCFOB shall not be liable for any costs incurred by proposers prior to issuance of or entering into a contract. Costs associated with developing the proposal, preparing for oral presentations, and any other expenses incurred by the Proposer in responding to this RFP are entirely the responsibility of the Proposer and shall not be reimbursed in any manner by the PCFOB.

### **3.11 Errors and Omissions in Proposal**

The PCFOB will not be liable for any errors in proposals. The PCFOB reserves the right to make corrections or amendments due to errors identified in proposals by PCFOB or the Proposer. The PCFOB, at its option, has the right to request clarification or additional information from the proposers.

### **3.12 Contract Award and Execution**

The PCFOB reserves the right to enter into a contract without further discussion of the proposal submitted based on the initial offers received. The PCFOB reserves the right to contract for all or a partial list of services offered in the proposal.

The RFP and proposal of the selected Proposer shall become part of any contract initiated by the PCFOB.

The selected Proposer shall be expected to enter into a contract that is substantially the same as the sample contract included in Attachment III. In no event shall a Proposer submit its own standard contract terms and conditions as a response to this RFP. The Proposer should submit with its proposal any exceptions or exact contract deviations that its firm wishes to negotiate. Negotiations may begin with the announcement of the selected Proposer.

If the contract negotiation period exceeds (5) days or if the selected Proposer fails to sign the final contract within (10) business days of delivery, the PCFOB may elect to cancel the award and award the contract to the next-highest-ranked Proposer.

### **3.13 Code of Ethics**

Proposers are responsible for determining that there will be no conflict or violation of the Ethics Code if their company is awarded the contract. The Louisiana Board of Ethics is the only entity which can officially rule on ethics issues.

## **4.0 RESPONSE INSTRUCTIONS**

### **4.1 Proposal Submission**

Firms/individuals who are interested in providing services requested under this RFP must submit a proposal containing the information specified in this section.

One fully completed proposal with an original signature must be delivered at proposer's expense, and received in hard copy (printed) and electronic version by the RFP Coordinator on or before 12:00 PM Central Time on the date specified in the Schedule of Events. Two other fully completed proposals are requested to be submitted. Fax or e-mail submissions shall not be acceptable. The electronic version shall be on CD or USB Flash drive.

Proposers mailing their proposals should allow sufficient mail delivery time to ensure receipt of their proposal by the date/time specified. Fax or e-mail submissions shall not be acceptable.

For courier delivery, the street address is 8225 Florida Blvd, 2<sup>nd</sup> Floor, Baton Rouge, LA 70806, and the telephone number is (225) 362-5400.

It is solely the responsibility of each Proposer to ensure their proposal is delivered at the specified place and prior to the deadline for submission. Proposer shall be solely responsible for ensuring that its courier service provider (if used) makes inside deliveries to our physical location. The PCFOB is not responsible for any delays caused by the proposer's chosen means of proposal delivery. Proposals received after the deadline will not be considered.

The proposer should clearly mark the outside of the envelope or package with the following information:

### **Proposal #200 – Investment Consultant**

As stated above, the PCFOB requests that **one original and two** copies of the proposal be submitted to the RFP Coordinator at the address specified. At least one copy of the proposal shall contain original signatures of those company officials or agents duly authorized to sign proposals or contracts on behalf of the organization using the **Certification Statement**, Attachment II. The original should be clearly marked or differentiated from the copies. A certified copy of a board resolution granting such authority should be submitted if proposer is a corporation. The copy of the proposal with original signatures will be retained for incorporation in any contract resulting from this RFP.

## **4.2 Proposal Format**

The proposal should be in the following format:

### **4.2.1 Cover Letter**

A cover letter should be submitted on the Proposer's official business letterhead explaining the intent of the Proposer.

### **4.2.2 Technical and Cost Proposal**

Proposals should be submitted as specified in Section 5, and should include enough information to satisfy evaluators that the Proposer has the appropriate experience and qualifications to perform the scope of services as described herein. Proposers should respond to all requested areas.

### **4.2.3 Certification Statement**

The Proposer must sign and submit the Certification Statement shown in Attachment II.

## **5.0 PROPOSAL CONTENT**

The technical and cost proposal should contain the following sections:

### **5.1 Executive Summary**

This section should serve to introduce the scope of the proposal. It should include administrative information including, at a minimum, Proposer contact name and phone number, and the stipulation that the proposal is valid for a time period of at least 90 days from the date of submission. This section should also include a summary of the Proposer's qualifications and ability to meet the State agency's overall requirements in the timeframes set by the agency.

This section should include a positive statement of compliance with the contract terms. If the Proposer cannot comply with any of the contract terms, an explanation of each exception should be supplied. The Proposer should address the specific language in Attachment III Sample Contracts, and submit whatever exceptions or exact contract modifications that its firm may seek. While final wording will be resolved during contract negotiations, the intent of the provisions will not be substantially altered.

## **5.2 Corporate Background and Experience**

The Proposer should give a description of their company including a brief history, corporate structure and organization, and number of years in business as a registered investment advisor. The proposer should provide their total client assets.

This section should provide a detailed discussion of the Proposer's prior experience in working on projects similar in size, scope, and function to the proposed contract. Proposers should describe their experience in Louisiana and other states or in corporate/governmental entities of comparable size and diversity with references from previous clients including names and telephone numbers. The PCFOB reserves the right to contact client references to verify information in proposal.

Proposers should address their experience in preparing or revising general investment policies and guidelines. The proposer should identify and describe any of its financial connections or interest in any investment manager or investment broker/dealer.

Proposers must include in their proposal the previous 3 years audited financial statements. The financial statements shall include both an income statement and a balance sheet. If a cash flow statement is available, it should also be included. The financial statements should be detailed enough to analyze and assess the company's financial position.

**NOTE:** In the event a proposer desires to claim exemption from public disclosure, confidential data should be readily separable from the proposal in order to facilitate eventual public inspection of the non-confidential portion of the proposal. Each page of the proposal claimed to be exempt should be clearly identified as "confidential". See Section 3.9 for information on what can be deemed confidential.

### **5.2.1 Minimum Required Language - Request For Proposal (RFP) Veteran-Owned and Service-Connected Small Entrepreneurships (Veteran Initiative) and Louisiana Initiative for Small Entrepreneurships (Hudson Initiative) Programs**

The State of Louisiana Veteran and Hudson Initiatives are designed to provide additional opportunities for Louisiana-based small entrepreneurships (sometimes referred to as LaVet's and SE's respectively) to participate in contracting and procurement with the state. A certified Veteran-Owned and Service-Connected Disabled Veteran-Owned small entrepreneurship (LaVet) and a Louisiana Initiative for Small Entrepreneurships (Hudson Initiative) small entrepreneurship are businesses that have been certified by the Louisiana Department of Economic Development. All eligible vendors are encouraged to become certified. Qualification requirements and online certification are available at [https://smallbiz.louisianaforward.com/index\\_2.asp](https://smallbiz.louisianaforward.com/index_2.asp).

Ten percent (10%) of the total evaluation points on this RFP are reserved for proposers who are themselves a certified Veteran or Hudson Initiative small entrepreneurship or who will engage the participation of one or more certified Veteran or Hudson Initiatives small entrepreneurships as subcontractors.

Reserved points shall be added to the applicable proposers' evaluation score as follows:

#### Proposer Status and Reserved Points

- Proposer is a certified small entrepreneurship: Full amount of the reserved points
- Proposer is not a certified small entrepreneurship but has engaged one or more certified small entrepreneurship to participate as subcontractors or distributors. Points will be allocated based on the following criteria:
  - the number of certified small entrepreneurship to be utilized
  - the experience and qualifications of the certified small entrepreneurship(s)
  - the anticipated earnings to accrue to the certified small entrepreneurship(s)

If a proposer is not a certified small entrepreneurship as described herein, but plans to use certified small entrepreneurship(s), proposer shall include in their proposal the names of their certified Veteran Initiative or Hudson Initiative small entrepreneurship subcontractor(s), a description of the work each will perform, and the dollar value of each subcontract.

During the term of the contract and at expiration, the Contractor will also be required to report Veteran-Owned and Service-Connected Disabled Veteran-Owned and Hudson Initiative small entrepreneurship subcontractor or distributor participation and the dollar amount of each.

The statutes (R.S 39:2171 *et. seq.*) concerning the Veteran Initiative may be viewed at <http://legis.la.gov/lss/lss.asp?doc=671504>; and the statutes (R.S 39:2001 *et. seq.*) concerning the Hudson Initiative may be viewed <http://legis.la.gov/lss/lss.asp?doc=96265>. The rules for the Veteran Initiative (LAC 19:VII. Chapters 11 and 15) and for the Hudson Initiative (LAC 19:VIII Chapters 11 and 13) may be viewed at <http://www.doa.louisiana.gov/osp/se/se.htm>.

A current list of certified Veteran-Owned and Service-Connected Disabled Veteran-Owned and Hudson Initiative small entrepreneurship may be obtained from the Louisiana Economic Development Certification System at [https://smallbiz.louisianaforward.com/index\\_2.asp](https://smallbiz.louisianaforward.com/index_2.asp). Additionally, a list of Hudson and Veteran Initiative small entrepreneurship, which have been certified by the Louisiana Department of Economic Development and who have opted to register in the State of Louisiana LaGov Supplier Portal [https://lagoverpvendor.doa.louisiana.gov/irj/portal/anonymous?quest\\_user=self\\_reg](https://lagoverpvendor.doa.louisiana.gov/irj/portal/anonymous?quest_user=self_reg) may be accessed from the State of Louisiana Procurement and Contract (LaPAC) Network <http://wwwprd.doa.louisiana.gov/osp/lapac/vendor/srchven.asp>. When using this site, determine the search criteria (i.e. alphabetized list of all certified vendors, by commodities, etc.) and select SmallE, VSE, or DVSE.

### **5.3 Proposer and Project Staff Qualifications**

The Proposer should provide detailed information about the experience and qualifications of the two professional consultants that the Proposer will assign to the performance of the contract. These personnel are considered key to the success of the project. The proposer should also identify all other specialists that shall be available for use in providing the contracted services.

This information should include education, training, certifications such as CFA charters, technical experience, functional experience, specific dates and names of employers, at least five years of relevant and related experience, average client portfolio, largest portfolio size handled, past and present projects with dates and responsibilities and any applicable certifications. This should also specifically include the role and responsibilities of each person on this project, their planned level of

effort, their anticipated duration of involvement, and their on-site availability. Customer references (name, title, company name, address, and telephone number) should be provided for the cited projects in the individual resumes.

#### **5.4 Approach and Methodology**

This section should, at a minimum, identify the approach to implementation, team organization, staffing, training, finalizing standards and procedures, transition planning, project management, risk assessment/mitigation, loss prevention, security, software change management, quality assurance, and disaster recovery. The proposer should address investment manager performance measurement, fund performance management, custodian performance monitoring and management, transaction costs and efficiency monitoring, earnings enhancement strategies, and reporting. The proposer should include a high-level work plan for the project. This work plan should include the high level tasks to be performed, work estimates for each task, and level of effort for PCFOB and Contractor personnel.

This section should also address the following:

- Proposer's understanding of the nature of the project and how its proposal will best meet the needs of the state agency.
- Proposer should define its functional approach in providing the services.
- Proposer should define its functional approach in identifying the tasks necessary to meet requirements.
- Describe the approach to Project Management and Quality Assurance.
- Provide a proposed Project Work Plan that reflects the approach and methodology, tasks and services to be performed, deliverables, timetables, and staffing.

#### **5.5 Proposal Cost Information**

All costs the proposer wishes to have included in the contractual arrangements with the PCFOB, including travel, to perform all of the requirements of the RFP must be included in the Cost Proposal.

The cost proposal must be stated as an annual firm fixed price, hard dollars basis only, and valid for at least one year. Payment of fees shall be made monthly in arrears.

The total compensation for the resulting contract will not exceed the total cost in the proposal.

### **6.0 EVALUATION AND SELECTION**

#### **6.1 Evaluation Team**

The evaluation of proposals will be accomplished by an evaluation team, to be designated by the PCFOB, which will determine the proposal most advantageous to the PCFOB, taking into consideration price and the other evaluation factors set forth in the RFP. No preliminary conclusions

or results will be given out until the Evaluation Team has completed the entire evaluation process and the formal announcement of selected proposer has been made.

## **6.2 Administrative and Mandatory Screening**

All proposals will be reviewed to determine compliance with administrative and mandatory requirements as specified in the RFP. Proposals that are not in compliance will be rejected from further consideration.

## **6.3 Clarification of Proposals**

The PCFOB reserves the right to seek clarification of any proposal for the purpose of identifying and eliminating minor irregularities or informalities.

## **6.4 Oral Presentations/Discussions May be Required**

The PCFOB, at its sole discretion, may require all proposers reasonably susceptible of being selected for the award to provide an oral presentation of how it proposes to meet the agency's program objectives. However the State reserves the right to enter into an Agreement without further discussion of the proposal submitted based on the initial offers received.

Any commitments or representations made during these discussions, if conducted, may become formally recorded in the final contract.

Written or oral discussions/presentations for clarification may be conducted to enhance the State's understanding of any or all of the proposals submitted. Proposals may be accepted without such discussions.

There will be a maximum of an additional 20 points assigned to the presentations and the criteria below will be judged:

Communication skills

Understanding of services needed

Understanding of timing of the financial needs of an insurance provider related to investment structure

## **6.5 Evaluation and Review**

Proposals that pass the preliminary screening and mandatory requirements review will be evaluated based on information provided in the proposal and the criteria listed in Sections 5.1 through 5.5. A maximum of 100 points will be awarded with no more than 25 points in the cost category and scoring will be as follows:

CRITERIA	MAXIMUM SCORE
1. Consulting Firm Background and Experience	15
2. Qualifications and Experience of Assigned Staff	25
3. Service Approach and Coordination Strategy	25
4. Cost of Services	25
5. Hudson/Veteran Small Entrepreneurship Program	10
Total Score	100

Cost proposals will be scored proportionally, based on variance from the lowest total cost proposed. The cost evaluation will be based on the total cost submitted by the proposer.

Cost points will be assigned using the following formula:

Cost points = (lowest total cost proposal/specific proposer's total cost proposal) x 25

**6.5.1. Veteran-Owned and Service-Connected Small Entrepreneurships (Veteran Initiative) and Louisiana Initiative for Small Entrepreneurships (Hudson Initiative) Programs Participation (Value of 10% of the total evaluation points)**

Ten percent (10%) of the total evaluation points on this RFP are reserved for proposers who are themselves a certified Veteran or Hudson Initiative small entrepreneurship or who will engage the participation of one or more certified Veteran or Hudson Initiatives small entrepreneurships as subcontractors.

Reserved points shall be added to the applicable proposers' evaluation score as follows:

**Proposer Status and Reserved Points:**

- Proposer is a certified small entrepreneurship: Full amount of the reserved points
- Proposer is not a certified small entrepreneurship but has engaged one or more certified small entrepreneurships to participate as subcontractors or distributors. Points will be allocated based on the following criteria:
  - the number of certified small entrepreneurships to be utilized
  - the experience and qualifications of the certified small entrepreneurship(s)
  - the anticipated earnings to accrue to the certified small entrepreneurship(s)

**6.6 Announcement of Contractor**

The Evaluation Team will compile the scores and make a recommendation to the PCFOB on the basis of the responsive and responsible proposer with the highest score.



PCFOB will notify the successful Proposer and proceed to negotiate terms for final contract. Unsuccessful proposers will be notified in writing accordingly. Prior to final contract negotiation, the selected Proposer must sign an affidavit that they will act in a fiduciary capacity as that term is defined by ERISA.

The proposals received (except for that information appropriately designated as confidential in accordance with R.S. 44.1 et seq), selection memorandum along with list of criteria used along with the weight assigned each criteria; scores of each proposal considered along with overall scores of each proposal considered, and a narrative justifying selection shall be made available, upon request, to all interested parties after the "Notice of Intent to Award" letter has been issued.

Any proposer aggrieved by the proposed award has the right to submit a protest in writing to the head of the agency issuing the proposal within 14 days after the award has been announced by the agency.

The award of a contract is subject to the approval of the Division of Administration, Office of Contractual Review.

## **7.0 SUCCESSFUL CONTRACTOR REQUIREMENTS**

### **7.1 Corporation Requirements**

If the contractor is a corporation not incorporated under the laws of the State of Louisiana, the contractor shall have obtained a certificate of authority pursuant to R. S. 12:301-302 from the Secretary of State of Louisiana.

If the contractor is a for-profit corporation whose stock is not publicly traded, the contractor shall ensure that a disclosure of ownership form has been properly filed with the Secretary of State of Louisiana.

### **7.2 Billing and Payment**

The contractor will submit monthly billings based on the contract specifications for such. The monthly billings will be supported by written status reports describing the work completed and current status of work in progress. The contractor will not be compensated for more than the total cost proposed in the contractor's response to the RFP.

Under normal circumstances, the PCFOB should remit payment to the Contractor within thirty (30) days of approval of invoices. The PCFOB makes every effort to pay all valid or undisputed invoices in a timely manner. There may be times when invoices are disputed, or clarification of charges is needed before payment can be made.

### **7.3 Confidentiality**

All financial, statistical, personal, technical and other data and information relating to the PCFOB's operation which are designated confidential by the State and made available to the contractor in order to carry out this contract, or which become available to the contractor in carrying out this contract,

shall be protected by the contractor from unauthorized use and disclosure through the observance of the same or more effective procedural requirements as are applicable to the State. The identification of all such confidential data and information as well as the State's procedural requirements for protection of such data and information from unauthorized use and disclosure shall be provided by the PCFOB in writing to the contractor. If the methods and procedures employed by the contractor for the protection of the contractor's data and information are deemed by the PCFOB to be adequate for the protection of the State's confidential information, such methods and procedures may be used, with the written consent of the PCFOB, to carry out the intent of this paragraph. The contractor shall not be required under the provisions of the paragraph to keep confidential any data or information which is or becomes publicly available, is already rightfully in the contractor's possession, is independently developed by the contractor outside the scope of the contract, or is rightfully obtained from third parties.

Under no circumstance shall the contractor discuss and/or release information to the media concerning this project without prior express written approval of the Patient's Compensation Fund.

## ATTACHMENT 1: SCOPE OF SERVICES

In the performance of each year of this contract, the Contractor shall provide the following services under the general direction of the PCFOB and Executive Director:

1. Submit a Certificate of Insurance showing proof of Errors and Omissions coverage on the agency and/or broker with limits of liability of at least \$1,000,000. This Errors and Omissions coverage must be maintained throughout the period of this contract.
2. Required Legislative Reporting  
Contractor agrees to provide the Patient's Compensation Fund with quarterly reports due by the 15<sup>th</sup> of the following month and semi-annual reports as mandated by Act 160 of the 2011 Regular Session of the Louisiana Legislature to include the investment return net of investment fees and expenses expressed as a percentage return and dollar amount, the amount of administrative expenses, the board approved target asset allocation, and the current actual asset allocation of the portfolio. The investment returns shall be reported by total fund and particular asset class over the six-month period reported, fiscal year-to-date, one-year, three-year, five-year and ten-year periods.
3. Attendance at Board Meetings
  - Contractor will be required to provide a written report, which will include the above discussed topics, which will be included in the meeting materials in advance of each of the Board meetings.
  - Attendance at the Board's meeting by at least one professional consultant is required on a quarterly basis. During the initial phase of the scope of services, attendance at the monthly meetings may be required. This is expected to encompass the first six months of the contract.
4. Performance Reporting
  - Facilitate training and possibly customized reporting for daily access to the portfolio via the custodian's website.
  - Work with PCFOB and executive staff to develop custom monthly and quarterly reporting.
  - Provide reporting on a monthly and quarterly basis.
  - Provide ad hoc reporting, as requested by the PCFOB or executive staff.
5. Develop and Maintain the Investment Policy Statement ("IPS")
  - Work with staff to draft the initial IPS for review and final approval by the Board.
  - Recommend updates to the IPS as needed
6. Provide policy development and planning support
  - Assist in the development of investment standards, guidelines and policies per Act 160,
  - Assist in development of procedures
  - Assist in the development of manager reporting guidelines
  - Assist in the development of investment goals
  - Address special policy issues (e.g., ETIs; fiduciary policy)

7. Development of Initial Strategic Asset Allocation
  - Provide asset class education, risk tolerance assessment, and asset-liability modeling to determine an appropriate strategic asset allocation. Update the strategic asset allocation on an annual basis, or more frequently, if requested.
  - Perform initial computer-modeled study, with annual reviews
  - Allocate within asset class if such is recommended
  - Make risk/reward analysis and projections
  - Analyze special asset classes in detail
8. Manager Search
  - Make recommendations to PCFOB regarding the need to hire one or multiple managers. This shall include on-site due diligence with PCFOB if requested by the PCFOB
  - Conduct manager searches for any asset classes selected in the strategic asset allocation for compilation of RFP mailing lists.
  - Recommend investment category standard and benchmarks
  - Write Investment Manager Guidelines for any Separate Accounts
  - Recommend minimum manager criteria (e.g., asset under management)
  - Assist with drafting Request for Proposal document for investment manager(s)
  - Assist PCF staff in initial proposal evaluation and screening (verify performance data; compare to universe of similar managers)
  - Provide qualitative and quantitative evaluations of proposals
  - Participate in interview process if requested and provide guidance to the Board regarding the final selection
9. Develop a Work Plan for Transitioning the Portfolio to PCFOB's Control
  - Currently, the State Treasurer manages the portfolio. The portfolio will need to be transitioned to PCFOB's control.
  - Develop a work plan will include specific steps and deliverables, including staff and Board education.
  - Assist in transition planning and asset deployment plans.
10. Management Support
  - On a monthly basis be available for scheduled conference calls with the Executive Director to discuss the overall investment strategy, investment manager analysis and other items as needed.
  - Review all materials for the Board meetings in advance with the Executive Director. Be available on an as needed basis to provide advice on disposition of assets and respond to questions from the Executive Director or other designated staff member or Board member. Contractor shall also provide advice as to appropriate investing strategy and guidance on changes to accounting standards or investing regulations that affect the PCFOB, as requested by the PCFOB.
11. Investment manager performance measurement and evaluation
  - This shall include on-going monitoring of all retained investment managers, including termination recommendations.

- Performance monitored monthly; reported in writing quarterly and annually
  - Monitor individual manager performance:
  - Monthly
    - Absolute data (e.g. money gained or lost; percentage return net of fees)
    - Performance relative to benchmarks
  - Quarterly
    - Absolute data (e.g., money gained or lost; percentage return net of fees)
    - Performance relative to benchmarks
    - Notes on special situations (e.g. problems with specific investments)
12. Fund performance evaluation
- Monitor performance of fund by asset class
  - Monitor overall fund performance
    - Absolute data
    - Performance relative to benchmarks
    - Performance relative to similar public funds
13. Monitor and evaluate performance of custodian
14. Monitor and evaluate transaction costs and efficiency (including brokerage and trading costs of all types)
15. Monitor and evaluate earnings enhancement strategies (e.g., securities lending; cash management)
16. Reporting for the foregoing services – in data and graphic formats, over appropriate time periods (e.g., last quarter, last year, last two years)

The Contractor must be, and remain so throughout the contract, a registered investment advisor pursuant to the Investment Advisor Act of 1940. The Contractor must assign at least two professional consultants to perform the contracted services; at least one of the consultants must be and remain a CFA charter holder. The primary consultants assigned to the PCFOB's account must have a minimum of five years experience in providing investment consultant services to an entity same/similar in size, scope, and function or an insurance carrier of similar size and function. The Contractor shall not replace these individuals without the advance written approval of the PCFOB. Service must be responsive and timely.

The Contractor must provide a data processing interface and reporting function with the PCFOB's custodian, investment managers and PCFOB's administrative staff.

To avoid conflicts of interest, the Contractor, its affiliates, officers or employees shall not in any way have financial connections or interest in, any investment manager or investment broker/dealer

## ATTACHMENT II:

### CERTIFICATION STATEMENT

The undersigned hereby acknowledges she/he has read and understands all requirements and specifications of the Request for Proposals (RFP), including attachments.

**OFFICIAL CONTACT:** The PCFOB requests that the proposer designate one person to receive all documents and the method in which the documents are best delivered. Identify the Contact name and fill in the information below:

Date: \_\_\_\_\_ Official Contact Name: \_\_\_\_\_

A. Phone Number with area code: (\_\_\_\_) \_\_\_\_\_

B. E-mail Address: \_\_\_\_\_

C. Facsimile Number with area code: (\_\_\_\_) \_\_\_\_\_

D. US Mail Address: \_\_\_\_\_

Proposer certifies that the above information is true and grants permission to the State or Agencies to contact the above named person or otherwise verify the information I have provided.

By its submission of this proposal and authorized signature below, proposer certifies that:

- (1) The information contained in its response to this RFP is accurate;
- (2) Proposer complies with each of the mandatory requirements listed in the RFP and will meet or exceed the functional and technical requirements specified therein;
- (3) Proposer accepts the procedures, evaluation criteria, mandatory contract terms and conditions, and all other administrative requirements set forth in this RFP.
- (4) Proposer's quote is valid for at least 90 days from the date of submission of proposal;
- (5) Proposer understands that if selected as the successful proposer, he/she will have ten (10) business days from the date of delivery of final contract in which to execute the final contract document.
- (6) Proposer certifies, by signing and submitting a proposal for \$25,000 or more, that their company, any subcontractors, or principals are not suspended or debarred by the General Services Administration (GSA) in accordance with the requirements in OMB Circular A-133. (A list of parties who have been suspended or debarred can be viewed via the internet at [www.epls.gov](http://www.epls.gov).)

Authorized Signature: \_\_\_\_\_

Typed or Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Company Name: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

## **ATTACHMENT III: SAMPLE CONTRACT**

### **STATE OF LOUISIANA CONTRACT**

On this \_\_\_\_ day of 20\_\_, the State of Louisiana, Patient's Compensation Fund Oversight Board, hereinafter sometimes referred to as the "PCFOB", and [CONTRACTOR'S NAME AND LEGAL ADDRESS INCLUDING ZIP CODE], hereinafter sometimes referred to as the "Contractor", do hereby enter into a contract under the following terms and conditions.

#### **1.0 SCOPE OF SERVICES**

##### **1.1 CONCISE DESCRIPTION OF SERVICES**

[COMPLETE A DESCRIPTION OF SERVICES TO BE PROVIDED OR ATTACH SOW]

##### **1.2 STATEMENT OF WORK**

###### **1.2.1. INTRODUCTION**

This Statement of Work defines the tasks to be performed, the required deliverables, the completion criteria, estimated completion dates, the estimated cost for each Task Schedule; and establishes the responsibilities for accomplishing these tasks.

###### **1.2.2. GOALS AND OBJECTIVES**

[LIST GOALS AND OBJECTIVES OF THIS CONTRACT]

###### **1.2.3. PERFORMANCE MEASURES**

The performance of the contract will be measured by the State Project Manager, authorized on behalf of the PCFOB, to evaluate the contractor's performance against the criteria in the Statement of Work and are identified as:

LIST PERFORMANCE MEASURES WHICH SHOULD BE MEASURABLE AND TIME BOUND]

###### **1.2.4. MONITORING PLAN**

[Name and Title or Position] will monitor the services provided by the contractor and the expenditure of funds under this contract. [Name and Title or Position] will be primarily responsible for the day-to-day contact with the contractor and day-to-day monitoring of the contractor's performance. The monitoring plan is the following:

(PROVIDE MONITORING PLAN)

###### **1.2.5. CONTRACTOR TASKS AND RESPONSIBILITIES**

(FULL DESCRIPTION OF SERVICES TO BE PERFORMED COMPOSED FROM THE RFP AND THE PROPOSER'S RESPONSE)(This may be accomplished in an attached SOW)

**1.2.5a Veteran-Owned and Service-Connected Small Entrepreneurships (Veteran Initiative) and Louisiana Initiative for Small Entrepreneurships (Hudson Initiative) Programs Reporting Requirements**

During the term of the contract and at expiration, the Contractor will be required to report Veteran-Owned and Service-Connected Disabled Veteran-Owned and Hudson Initiative small entrepreneurship subcontractor or distributor participation and the dollar amount of each.

#### **1.2.6. STATE/PCFOB TASKS AND RESPONSIBILITIES**

(DESCRIPTION OF SERVICES TO BE PERFORMED BY THE STATE OR RESOURCES TO BE FURNISHED BY THE STATE)

#### **1.2.7. DELIVERABLES**

The Contract will be considered complete when Contractor has delivered and PCFOB has accepted all deliverables specified in the Statement of Work.

#### **1.2.8. SUBSTITUTION OF KEY PERSONNEL**

The Contractor's personnel assigned to this Contract may not be replaced without the written consent of the PCFOB. Such consent shall not be unreasonably withheld or delayed provided an equally qualified replacement is offered. In the event that any PCFOB or Contractor personnel become unavailable due to resignation, illness, or other factors, excluding assignment to project outside this contract, outside of the PCFOB's or Contractor's reasonable control, as the case may be, the PCFOB or the Contractor, shall be responsible for providing an equally qualified replacement in time to avoid delays in completing tasks. The Contractor will make every reasonable attempt to assign the personnel listed in his proposal.

### **2.0 ADMINISTRATIVE REQUIREMENTS**

#### **2.1 TERM OF CONTRACT**

This contract shall begin on [DATE] and shall end on [DATE]. PCFOB has the right to contract for up to a total of three years with the concurrence of the Contractor and all appropriate approvals.

#### **2.2 STATE/PCFOB FURNISHED RESOURCES**

PCFOB shall appoint a Project Coordinator for this Contract identified in Section 1.2.4 who will provide oversight of the activities conducted hereunder. Notwithstanding the Contractor's responsibility for management during the performance of this Contract, the assigned Project Coordinator shall be the principal point of contact on behalf of the PCFOB and will be the principal point of contact for Contractor concerning Contractor's performance under this Contract.

#### **2.3 TAXES**

Contractor is responsible for payment of all applicable taxes from the funds to be received under this contract. Contractor's federal tax identification number is \_\_\_\_\_.

### **3.0 COMPENSATION AND MAXIMUM AMOUNT OF CONTRACT**

#### **3.1 PAYMENT TERMS**

In consideration of the services required by this contract, PCFOB hereby agrees to pay to Contractor a maximum fee of \$[TO BE INSERTED]. Payments are predicated upon successful completion and written approval by the PCFOB of the described tasks and deliverables as provided in Section 1.0. Payments will be made to the Contractor after written acceptance by the PCFOB of the payment task and approval of an invoice. PCFOB will make every reasonable effort to make payments within 30 days of the approval of invoice and under a valid contract. Payment will be made only on approval of (Name of Designee).



During the execution of tasks contained in the Statement of Work, the Contractor may submit invoices, not more frequently than monthly. The payment terms are as follows:

(ENTER THE NEGOTIATED HOURLY RATES OR PAYMENT TERMS)

Such payment amounts for work performed must be based on at least equivalent services rendered, and to the extent practical, will be keyed to clearly identifiable stages of progress as reflected in written reports submitted with the invoices. Contractor will not be paid more than the maximum amount of the contract.

## **4.0 TERMINATION**

### **4.1 TERMINATION FOR CAUSE**

PCFOB may terminate this Contract for cause based upon the failure of Contractor to comply with the terms and/or conditions of the Contract; provided that the PCFOB shall give the Contractor written notice specifying the Contractor's failure. If within thirty (30) days after receipt of such notice, the Contractor shall not have either corrected such failure or, in the case of failure which cannot be corrected in thirty (30) days, begun in good faith to correct said failure and thereafter proceeded diligently to complete such correction, then the PCFOB may, at its option, place the Contractor in default and the Contract shall terminate on the date specified in such notice. Failure to perform within the time agreed upon in the contract may constitute default and may cause cancellation of the contract.

Contractor may exercise any rights available to it under Louisiana law to terminate for cause upon the failure of the PCFOB to comply with the terms and conditions of this contract provided that the Contractor shall give the PCFOB written notice specifying the PCFOB agency's failure and a reasonable opportunity for the state to cure the defect.

### **4.2 TERMINATION FOR CONVENIENCE**

PCFOB may terminate the Contract at any time without penalty by giving thirty (30) days written notice to the Contractor of such termination or negotiating with the Contractor an effective date. Contractor shall be entitled to payment for deliverables in progress; to the extent work has been performed satisfactorily.

### **4.3 TERMINATION FOR NON-APPROPRIATION OF FUNDS**

The continuation of this contract is contingent upon the appropriation of funds by the legislature to fulfill the requirements of the contract by the legislature. If the legislature fails to appropriate sufficient monies to provide for the continuation of the contract, or if such appropriation is reduced by the veto of the Governor or by any means provided in the appropriations act of Title 39 of the Louisiana Revised Statutes of 1950 to prevent the total appropriation for the year from exceeding revenues for that year, or for any other lawful purpose, and the effect of such reduction is to provide insufficient monies for the continuation of the contract, the contract shall terminate on the date of the beginning of the first fiscal year for which funds have not been appropriated.

## **5.0 INDEMNIFICATION AND LIMITATION OF LIABILITY**

Neither party shall be liable for any delay or failure in performance beyond its control resulting from acts of God or force majeure. The parties shall use reasonable efforts to eliminate or minimize the effect of such events upon performance of their respective duties under Contract.

Contractor shall be fully liable for the actions of its agents, employees, partners or subcontractors and shall fully indemnify and hold harmless the PCFOB and its Authorized Users from suits, actions, damages and costs of every name and description relating to personal injury and damage to real or personal tangible property caused by Contractor, its agents, employees, partners or subcontractors, without limitation; provided, however, that the Contractor shall not indemnify for that portion of any claim, loss or damage arising hereunder due to the negligent act or failure to act of the PCFOB. {Rework this}

If applicable, Contractor will indemnify, defend and hold the State and its Authorized Users harmless, without limitation, from and against any and all damages, expenses (including reasonable attorneys' fees), claims, judgments, liabilities and costs which may be finally assessed against the State in any action for infringement of a United States Letter Patent with respect to the Products furnished, or of any copyright, trademark, trade secret or intellectual property right, provided that the PCFOB shall give the Contractor: (i) prompt written notice of any action, claim or threat of infringement suit, or other suit, (ii) the opportunity to take over, settle or defend such action, claim or suit at Contractor's sole expense, and (iii) assistance in the defense of any such action at the expense of Contractor. Where a dispute or claim arises relative to a real or anticipated infringement, the State or its Authorized Users may require Contractor, at its sole expense, to submit such information and documentation, including formal patent attorney opinions, as the Commissioner of Administration shall require.

The Contractor shall not be obligated to indemnify that portion of a claim or dispute based upon: i) Authorized User's unauthorized modification or alteration of a Product; ii) Authorized User's use of the Product in combination with other products not furnished by Contractor; iii) Authorized User's use in other than the specified operating conditions and environment.

In addition to the foregoing, if the use of any item(s) or part(s) thereof shall be enjoined for any reason or if Contractor believes that it may be enjoined, Contractor shall have the right, at its own expense and sole discretion as the Authorized User's exclusive remedy to take action in the following order of precedence: (i) to procure for the PCFOB the right to continue using such item(s) or part (s) thereof, as applicable; (ii) to modify the component so that it becomes non-infringing equipment of at least equal quality and performance; or (iii) to replace said item(s) or part(s) thereof, as applicable, with non-infringing components of at least equal quality and performance, or (iv) if none of the foregoing is commercially reasonable, then provide monetary compensation to the PCFOB up to the dollar amount of the Contract.

For all other claims against the Contractor where liability is not otherwise set forth in the Contract as being "without limitation", and regardless of the basis on which the claim is made, Contractor's liability for direct damages, shall be the greater of \$100,000, the dollar amount of the Contract, or two (2) times the charges rendered by the Contractor under the Contract. Unless otherwise specifically enumerated herein or in the work order mutually agreed between the parties, neither party shall be liable to the other for special, indirect or consequential damages, including lost data or records (unless the Contractor is required to back-up the data or records as part of the work plan), even if the party has been advised of the possibility of such damages. Neither party shall be liable for lost profits, lost revenue or lost institutional operating savings.

The State and Authorized User may, in addition to other remedies available to them at law or equity and upon notice to the Contractor, retain such monies from amounts due Contractor, or may proceed against the performance and payment bond, if any, as may be necessary to satisfy any claim for damages, penalties, costs and the like asserted by or against them.

## **6.0 CONTRACT CONTROVERSIES**

Any claim or controversy arising out of the contract shall be resolved by the provisions of Louisiana Revised Statutes 39:1524-26.

## **7.0 FUND USE**

Contractor agrees not to use contract proceeds to urge any elector to vote for or against any candidate or proposition on an election ballot nor shall such funds be used to lobby for or against any proposition or matter having the effect of law being considered by the Louisiana Legislature or any local governing authority. This provision shall not prevent the normal dissemination of factual information relative to a proposition on any election ballot or a proposition or matter having the effect of law being considered by the Louisiana Legislature or any local governing authority.

## **8.0 ASSIGNMENT**

No contractor shall assign any interest in this contract by assignment, transfer, or novation, without prior written consent of the PCFOB. This provision shall not be construed to prohibit the contractor from assigning to a bank, trust company, or other financial institution any money due or to become due from approved contracts without such prior written consent. Notice of any such assignment or transfer shall be furnished promptly to the PCFOB.

## **9.0 RIGHT TO AUDIT**

The State Legislative Auditor, agency auditors (if federal funds are being expended federal requirements must be included), and internal auditors of the Division of Administration shall have the option to audit all accounts directly pertaining to the contract for a period of three (3) years from the date of the last payment made under this contract. Records shall be made available during normal working hours for this purpose.

## **10.0 CONTRACT MODIFICATION**

No amendment or variation of the terms of this contract shall be valid unless made in writing, signed by the parties and approved as required by law. No oral understanding or agreement not incorporated in the contract is binding on any of the parties.

## **11.0 CONFIDENTIALITY OF DATA**

All financial, statistical, personal, technical and other data and information relating to the PCFOB's operation which are designated confidential by the State and made available to the contractor in order to carry out this contract, or which become available to the contractor in carrying out this contract, shall be protected by the contractor from unauthorized use and disclosure through the observance of the same or more effective procedural requirements as are applicable to the State. The identification of all such confidential data and information as well as the State's procedural requirements for protection of such data and information from unauthorized use and disclosure shall be provided by the PCFOB in writing to the contractor. If the methods and procedures employed by the contractor for the protection of the contractor's data and information are deemed by the PCFOB to be adequate for the protection of the PCFOB's confidential information, such methods and procedures may be used, with the written consent of the PCFOB, to carry out the intent of this paragraph. The contractor shall not be required under the provisions of the paragraph to keep confidential any data or information which is or becomes publicly available, is already rightfully in the contractor's possession, is independently developed by the contractor outside the scope of the contract, or is rightfully obtained from third parties.

## **12.0 SUBCONTRACTORS**

The Contractor may not enter into subcontracts with third parties for the performance of any part of the Contractor's duties and obligations.

## **13.0 COMPLIANCE WITH CIVIL RIGHTS LAWS**

The contractor agrees to abide by the requirements of the following as applicable: Title VI and Title VII of the Civil Rights Act of 1964, as amended by the Equal Opportunity Act of 1972, Federal Executive Order 11246, the Federal Rehabilitation Act of 1973, as amended, the Vietnam Era Veteran's Readjustment Assistance Act of 1974, Title IX of the Education Amendments of 1972, the Age Act of 1975, and contractor agrees to abide by the requirements of the Americans with Disabilities Act of 1990.

Contractor agrees not to discriminate in its employment practices, and will render services under this contract without regard to race, color, religion, sex, national origin, veteran status, political affiliation, or disabilities. Any act of discrimination committed by Contractor, or failure to comply with these statutory obligations when applicable shall be grounds for termination of this contract.

## 14.0 INSURANCE

Insurance shall be placed with insurers with an A.M. Best's rating of no less than A-: VI.

This rating requirement shall be waived for Worker's Compensation coverage only.

**Contractor's Insurance:** The Contractor shall not commence work under this contract until he has obtained all insurance required herein. Certificates of Insurance, fully executed by officers of the Insurance Company written or countersigned by an authorized Louisiana State agency, shall be filed with the State of Louisiana for approval. The Contractor shall not allow any sub-contractor to commence work on his subcontract until all similar insurance required for the subcontractor has been obtained and approved. If so requested, the Contractor shall also submit copies of insurance policies for inspection and approval of the State of Louisiana before work is commenced. Said policies shall not hereafter be canceled, permitted to expire, or be changed without thirty (30) days' notice in advance to the State of Louisiana and consented to by the State of Louisiana in writing and the policies shall so provide.

**Compensation Insurance:** Before any work is commenced, the Contractor shall maintain during the life of the contract, Workers' Compensation Insurance for all of the Contractor's employees employed at the site of the project. In case any work is sublet, the Contractor shall require the subcontractor similarly to provide Workers' Compensation Insurance for all the latter's employees, unless such employees are covered by the protection afforded by the Contractor. In case any class of employees engaged in work under the contract at the site of the project is not protected under the Workers' Compensation Statute, the Contractor shall provide for any such employees, and shall further provide or cause any and all subcontractors to provide Employer's Liability Insurance for the protection of such employees not protected by the Workers' Compensation Statute.

**Commercial General Liability Insurance:** The Contractor shall maintain during the life of the contract such Commercial General Liability Insurance which shall protect him, the PCFOB, and any subcontractor during the performance of work covered by the contract from claims for damages for personal injury, including accidental death, as well as for claims for property damages, which may arise from operations under the contract, whether such operations be by himself or by a subcontractor, or by anyone directly or indirectly employed by either of them, or in such a manner as to impose liability to the State. Such insurance shall name the State as additional insured for claims arising from or as the result of the operations of the Contractor or his subcontractors. In the absence of specific regulations, the amount of coverage shall be as follows: Commercial General Liability Insurance, including bodily injury, property damage and contractual liability, with combined single limits of \$1,000,000.

**Insurance Covering Special Hazards:** Special hazards as determined by the State shall be covered by rider or riders in the Commercial General Liability Insurance Policy or policies herein elsewhere required to be furnished by the Contractor, or by separate policies of insurance in the amounts as defined in any Special Conditions of the contract included therewith.

**Licensed and Non-Licensed Motor Vehicles:** The Contractor shall maintain during the life of the contract, Automobile Liability Insurance in an amount not less than combined single limits of \$1,000,000 per occurrence for bodily injury/property damage. Such insurance shall cover the use of any non-licensed motor vehicles engaged in operations within the terms of the contract on the site of the work to be performed there under, unless such coverage is included in insurance elsewhere specified.

**Subcontractor's Insurance:** The Contractor shall require that any and all subcontractors, which are not protected under the Contractor's own insurance policies, take and maintain insurance of the same nature and in the same amounts as required of the Contractor.

The Contractor must maintain errors and omissions insurance or professional liability insurance with annual aggregate limits of at least \$1,000,000.

## **15.0 APPLICABLE LAW**

This contract shall be governed by and interpreted in accordance with the laws of the State of Louisiana. Venue of any action brought with regard to this contract shall be in the Nineteenth Judicial District Court, parish of East Baton Rouge, State of Louisiana.

## **16.0 CODE OF ETHICS**

The contractor acknowledges that Chapter 15 of Title 42 of the Louisiana Revised Statutes (R.S. 42:1101 et. seq., Code of Governmental Ethics) applies to the Contracting Party in the performance of services called for in this contract. The contractor agrees to immediately notify the PCFOB if potential violations of the Code of Governmental Ethics arise at any time during the term of this contract.

## **17.0 SEVERABILITY**

If any term or condition of this Contract or the application thereof is held invalid, such invalidity shall not affect other terms, conditions, or applications which can be given effect without the invalid term, condition, or application; to this end the terms and conditions of this Contract are declared severable.

## **18.0 COMPLETE CONTRACT**

This is the complete Contract between the parties with respect to the subject matter and all prior discussions and negotiations are merged into this contract. This Contract is entered into with neither party relying on any statement or representation made by the other party not embodied in this Contract and there are no other agreements or understanding changing or modifying the terms. This Contract shall become effective upon final statutory approval.

## **19.0 ENTIRE AGREEMENT & ORDER OF PRECEDENCE**

This contract together with the RFP and contractor's proposal which are incorporated herein; shall, to the extent possible, be construed to give effect to all of its provisions; however, where provisions are in conflict, first priority shall be given to the provisions of the contract, excluding the Request for Proposals, its amendments and the Proposal; second priority shall be given to the provisions of the Request for Proposals and its amendments; and third priority shall be given to the provisions of the Contractor's Proposal.

THUS DONE AND SIGNED on the date(s) noted below:

CONTRACTOR

STATE OF LOUISIANA

PATIENT'S COMPENSATION FUND OVERSIGHT BOARD

BY: \_\_\_\_\_  
Name  
Title  
Date: \_\_\_\_\_

BY: \_\_\_\_\_  
Name  
Title  
Date: \_\_\_\_\_